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Approved For Release 2002/08/15 : CIA-RDP83B00823R000400090008-7

DD/S 72-2741

12 JUL 1977

MEMORANDUM FOR: Director of Communications  
Director of Finance  
Director of Logistics  
Director of Medical Services  
Director of Personnel  
✓ Director of Security  
Director of Training  
Chief, Support Services Staff

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SUBJECT : OMB Circular A-44 (Revised) dated 24 May 1972  
-- "Management Review and Improvement Program"

REFERENCE : Memo dtd 30 Jun 72 to Above Adses fr Acting Chief,  
DDS/Plans Staff; subject: Management Review  
and Improvement Program

1. Mr. Colby has written to the Deputy Director for Support:

I am sure you are well aware of the President's instructions to each Department and Agency to intensify management review of federal activities, programs and services within its areas of responsibility and with the explicit goal of substantially increasing the performance level, productivity and quality of federal programs at lower cost. The Director of Central Intelligence intends and expects that this Agency will support these efforts in a positive and constructive manner.

2. Except for the specific instructions mentioned below, the Attachment and the Exhibit to OMB Circular A-44 (Revised) contain the format and instructions for preparing the Annual Management Report required by A-44 (Revised).

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May Be Downgraded to the  
Indicator "Administrative -  
Internal Use Only" When  
Separated from Attachment  
A.

Approved For Release 2002/08/15 : CIA-RDP83B00823R000400090008-7

-2-

3. While an Annual Management Report is required, OMB Circular A-44 (Revised) delineates the several elements of the government's management improvement and review program. While obviously we must prepare the required reports, it should be kept in mind that the objective is not the preparation of an impressive report; rather, it is the identification and achievement of goals and objectives in improvement in program management, productivity, evaluation and performance which will accrue to the overall benefit of the Agency as well as the government (i.e., the people).

4. While we only are required by A-44 (Revised) to prepare an Annual Management Report, the responsibilities of federal departments and agencies regarding management review and improvement as delineated in A-44 (Revised) are in effect year-round.

5. Within this context and under the guidelines contained in OMB Circular A-44 (Revised) dated 24 May 1972, the Support Directorate is requested to submit to the Director of Planning, Programming and Budgeting by 15 August 1972 details of plans and accomplishments as outlined in Sections II, IV, V, VI, VII and VIII of OMB Circular A-44 (Revised). The Inspector General is responsible for Section I. Section III will be prepared by the Director of Finance. Section VIII (Nominees for Presidential Management Improvement Awards) should be submitted through the Director of Personnel. The remaining Sections should be submitted to the DD/S Plans Staff by COB 8 August 1972 for preparation of the Directorate response.

6. In preparing material for this report, I particularly invite your attention to:

a. The Support Directorate's Management and Effectiveness and Cost Reduction goals outlined in last year's report to OMB, Sections III and IV (Attachment A), against which our actual accomplishments should be measured.

b. Sections I, II and VI of this year's report as vehicles for you to focus on real improvements in our management procedures for establishing priorities, evaluating performance and setting goals, all with the aim of increasing our overall effectiveness in carrying out CIA's important mission.

-3-

7. The Director of Planning, Programming and Budgeting has been assigned the task of integrating these contributions into an overall Agency report, which is due at OMB by 1 September 1972. In carrying out this responsibility, he will be utilizing the advice and guidance of the Special Assistant to the Executive Director-Comptroller for Information Control with regard to Section V; the support of the IP Board for Section IV; and the Director of Personnel with regard to Section VIII.

8. In preparing your Office's contribution to the Agency report, care should be taken to report only those accomplishments and plans which are reasonably significant in terms of achieving some Agency management, operational or cost reduction goal. Your reported accomplishments, of course, should bear up under scrutiny and future management improvement actions and plans should reflect serious intentions. The quality and validity of reported items are more important than quantity. In a covering memorandum, you may suggest priority improvement projects which require Agency-wide attention and action by the Executive Director-Comptroller in order to implement.

9. To provide a common basis for preparation of an overall Agency report, it is essential that each Section be prepared in accordance with the format prescribed by OMB in the Attachment and the Exhibit to Circular A-44 (Revised). Self-designed forms or formats will be returned to you for re-submission in accordance with OMB instructions.

10. I have included, as Attachment B, a summary of OMB Circular A-44 (Revised) which was passed out to the attendees at the Executive Officers Group's special meeting on OMB Circular A-44 (Revised) on 28 June 1972.

11. I want to stress that the report you are being asked to write is not the primary objective of OMB Circular A-44 (Revised); rather, sustained management review and improvement of federal (this Agency's) programs are the primary responsibilities levied on us by A-44 (Revised). The Annual Management Report provides a platform for you to make known your successes as a manager and the success of the organization you have the responsibility for managing. Further, you have the opportunity to outline how you plan to ensure that your success will be measurably higher in the coming year.

-4-

12. I am tentatively setting aside a portion of the Executive Session after the regular weekly Staff Meeting on 1 August 1972 for discussion of your progress on your Office's contribution to the Annual Management Report.



Robert S. Wattles  
Acting Deputy Director  
for Support

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Atts: A & B

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A

Central Intelligence Agency  
Management Improvement and Cost Reduction Report  
(OMB Circular A-44)  
Fiscal Year 1971

Section I	Management Effectiveness Accomplishments Fiscal Year 1971
Section II	Cost Reduction Accomplishments Fiscal Year 1971
Section III	Management Effectiveness Goals Fiscal Year 1972
Section IV	Cost Reduction Goals Fiscal Year 1972
Attachment 1	Report Reduction Report

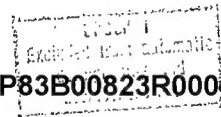
Prepared by:

Office of Planning,  
Programming, and Budgeting

31 August 1971

Approved For Release 2002/08/15 : CIA-RDP83B00823R000400090008-7

SECRET



25X1

Approved For Release 2002/08/15 : CIA-RDP83B00823R000400090008-7

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### Action

- ✓ 12. More stringent feasibility review of security support requests (DDŠ)
- 13. Reduction in time required to edit, coordinate and publish regulatory issuances (DDS)
- 14. The adoption of a system for the assignment of high precedence designations to each addressee of a cable as appropriate rather than a single precedence to the cable itself (DDS)
- 15. Completed a three-year effort to reduce document holdings at the Agency Record Storage Center (Agency-wide)

## Achievement

Reduced unproductive searches by almost 50%.

Reduction of 5-10% of total support requests acted upon.

Reduction in backlog from 44 jobs in August 1970 to 7 in May 1971.

Substantial reduction in the number of after-hours "call-ins" at the addressee location.

A reduction in long-term Agency records storage holdings (which prior to 1968 had increased at a 10-year average annual rate of 6,500 cu.ft. ) by 13,850 cu.ft. for a total computed savings of 33,350 cu.ft (elimination of growth plus net reduction). Combined storage and servicing costs are computed at \$2.15 per cu.ft. per year which reflects a total savings of \$70,700 over a 3-year period for a constructed average savings of approximately \$24,000 per year.

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Section I - Contd.

Action

16. A major effort to reduce internal agency reporting requirements in accordance with the instructions contained in TM #1 to OMB Cir. A-44.

Achievement

Eliminated or sharply curtailed 157 of 1,835 reports for a constructed savings of \$420,846 (see Attachment 1).

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Next 11 Page(s) In Document Exempt

Approved For Release 2002/08/15 : CIA-RDP83B00823R000400090008-7

SECRET

Section III - Contd.

Approved For Release 2002/08/15 : CIA-RDP83B00823R000400090008-7

Activity

31. To begin action aimed at achieving an Automated Field Terminal (AFT). (DDS)

Goal

There are several important objectives inherent in the automated approach as applied to overseas field stations. The elimination of manual processes, wherever feasible, is a prime objective. Of corresponding value is the necessity, which is even now present, to increase the efficiency, reliability, speed of service and quality of service at field stations. Probable benefits of automation would be reduced personnel required to man a station, reduction of field station paper files via storage in other forms such as tape, reduction of clerical personnel for cable secretariat and registry functions as well as other side benefits.

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Next 1 Page(s) In Document Exempt

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Section IV - Contd.

Activity

Goal

- |  |  |
|--|--|
| 12. Eliminate the need for a new courier vehicle in FY 72 by consolidating a special vehicle run into the established runs. (DDS)  | Cost of a new van type vehicle, \$4,500, will be eliminated. |
| 13. Termination of the Senior Management Seminar (Planning), a one-week program conducted by an outside contractor and requiring use of course material purchased from the contractor's firm, was approved in June 1971. Some of the materials are used in the Advanced Management (Planning) course. OTR will examine the feasibility of terminating the Planning course and replacing it with one of its own design, thus eliminating continued purchase of course material. If it is decided that a new course would be more relevant to the needs of the Agency managers, it is expected that such a course can be developed for presentation during the second half of FY 72. (DDS) | Total combined annual savings of \$12,000.                   |
| 14. Produce low-cost, short training films for instructional programs. Except for the processing of the footage by Printing Services Division/OL, the scripting, filming and editing of approved films will be done by the Office of Training. Services of a contract script writer will not be required. (DDS)  | Estimated savings of \$7,000.                                |

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Submittal on Government-wide Study to Improve  
Federal Reporting and Reduce Related Paperwork

SUBMITTED BY: CIA Date: 31 August 1971

<u>Reporting Category</u>	<u>Base Period (As of 1-1-70)</u>	<u>Savings Goal (Due 9-30-70)</u>	<u>Actual Savings (Due 9-30-71)</u>
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Public Reporting:

Number of reports	NA	NA	NA
Cost of reporting	NA	NA	NA

Interagency Reporting:

Number of reports	53	- *	None *
Cost of reporting	\$ 626,900	\$ - *	\$ None *

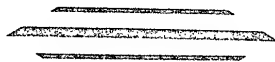
Internal reporting:

Number of reports	1,835	- *	157
Cost of reporting	\$4,030,931	\$ 232,892	\$ 420,846

- \* Largely OMB established reporting requirements and, therefore, beyond the Agency's ability to reduce significantly.

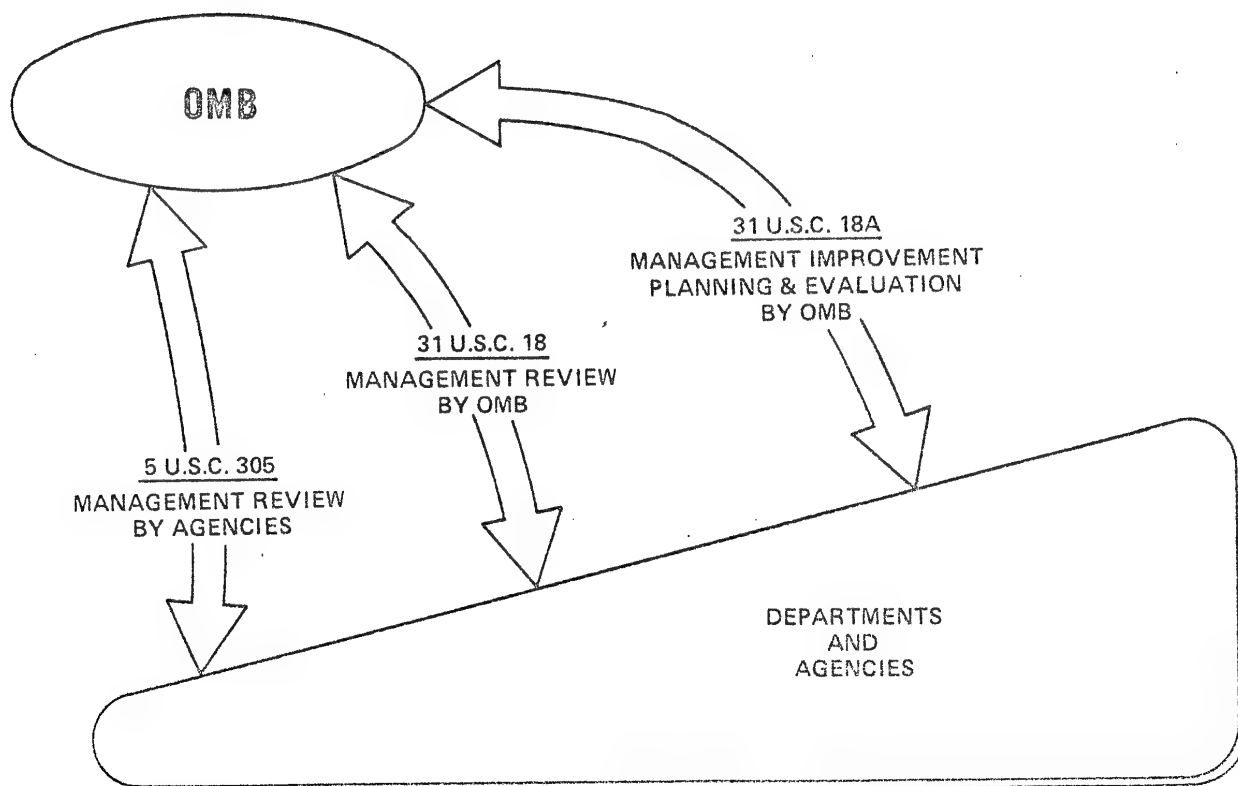
# MANAGEMENT REVIEW AND IMPROVEMENT PROGRAM

MAY 1972



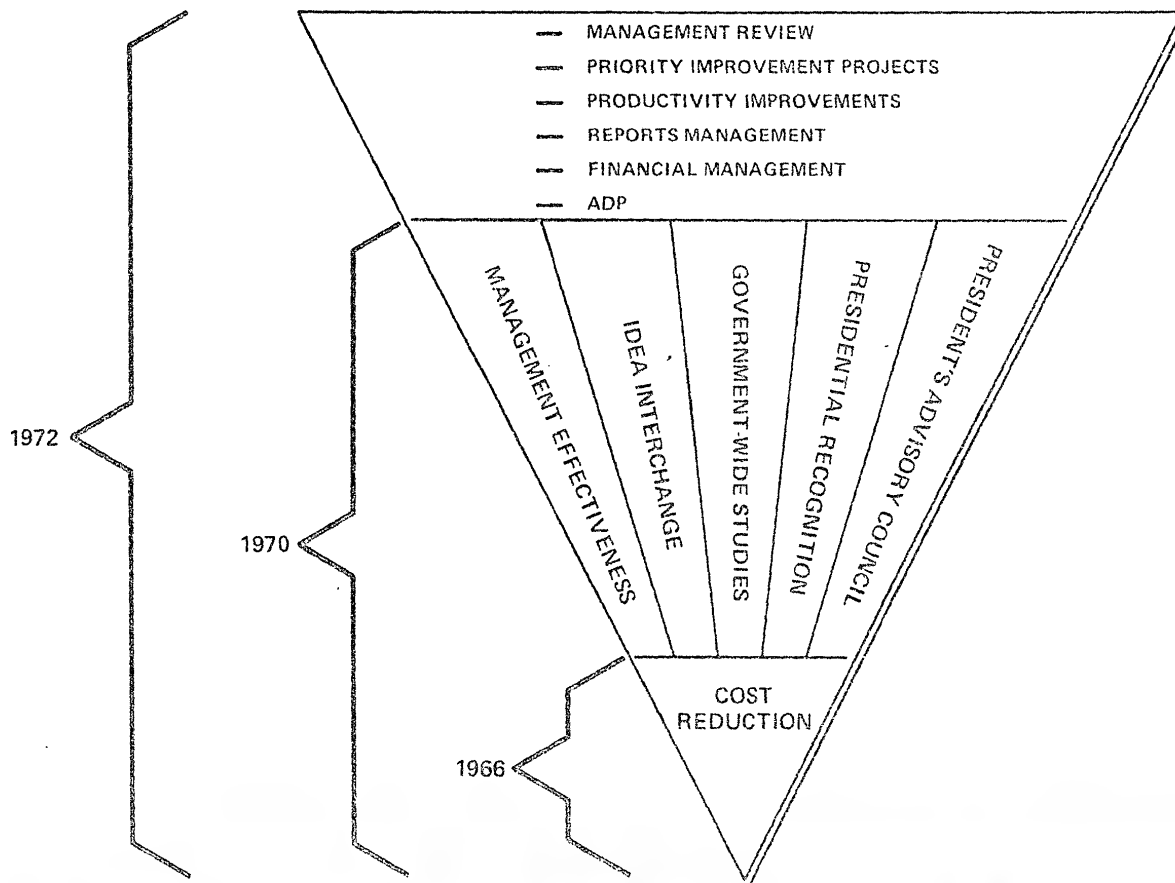
Executive Office of the President  
Office of Management and Budget

# STATUTORY RESPONSIBILITIES FOR DEPARTMENT AND AGENCY MANAGEMENT



## HISTORY OF CIRCULAR NO. A-44

- 1966 — COST REDUCTION PROGRAM
- 1970 — MANAGEMENT IMPROVEMENT PROGRAM
- 1972 — MANAGEMENT REVIEW AND IMPROVEMENT PROGRAM





## PURPOSE OF THE MANAGEMENT REVIEW AND IMPROVEMENT PROGRAM

The purpose of this Circular is to provide guidelines for (a) management review and (b) management improvement, that will focus agency efforts on operating programs and on the functions essential to their support. These efforts will be evaluated at all levels based on contributions made to achieving operating program objectives.

### MANAGEMENT REVIEWS INCLUDE:

- (1) Examination of operating programs to ascertain their impact on accomplishing a significant aspect of the overall mission.
- (2) Analysis of operations to determine whether they are being performed efficiently and effectively.
- (3) Appraisal of alternative approaches for performing operations in a more cost-effective manner.

## SELECTION OF MANAGEMENT IMPROVEMENT ACTIONS

(a) The need for improving the operating program or function in terms of accomplishing the mission.

(b) The cost-effectiveness of an improvement in terms of the potential benefits to be obtained.

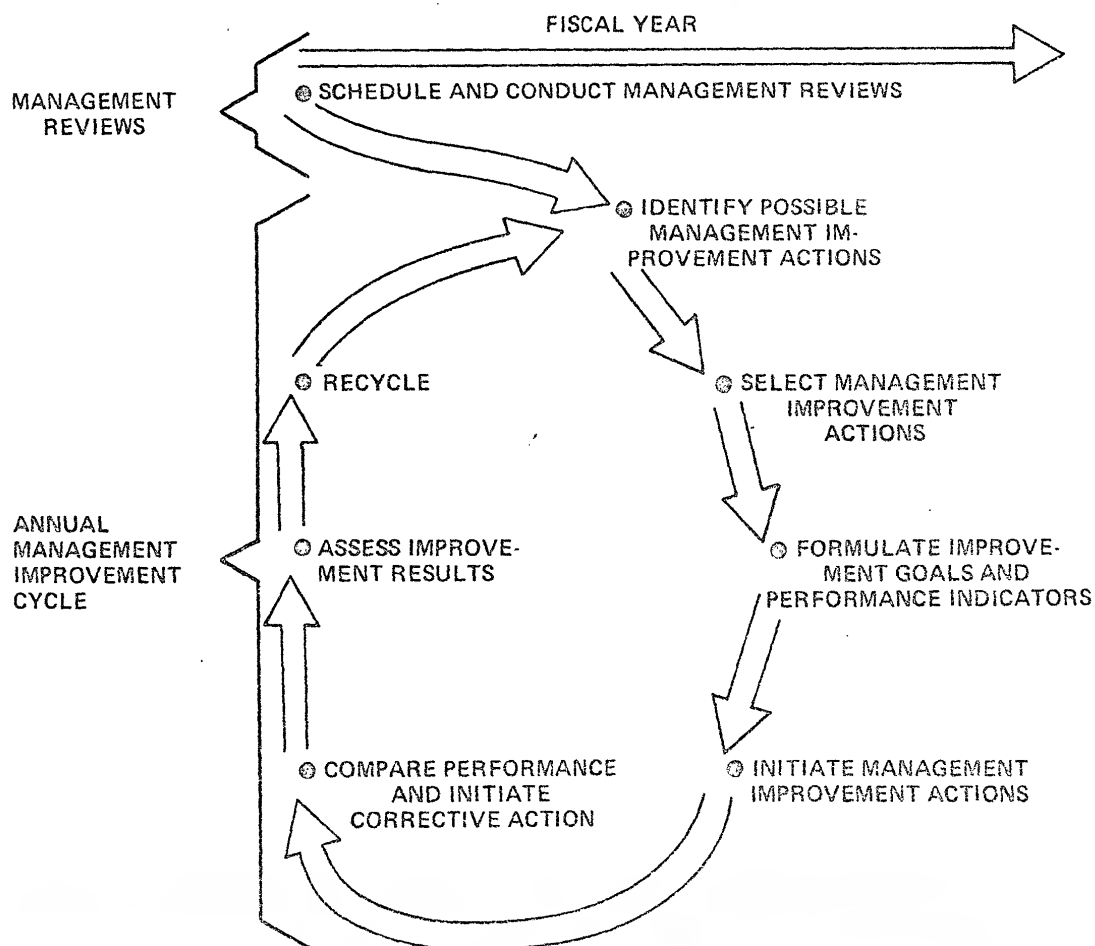
(c) The availability of resources to apply to the proposed improvement in terms of department or agency-wide priorities.

(d) The opportunity presented by an improvement for new initiatives that will encourage the better use of resources.

## PRIORITY IMPROVEMENT PROJECTS

PERFORMANCE INDICATORS	----- PERFORMANCE -----			----- OBJECTIVES -----	
	BPRI	BASE YEAR (FY 1971)	PAST YEAR (FY 1972)	PAST YEAR (FY 1972)	CURRENT YEAR (FY 1973)
<b>A. <u>PRODUCTIVITY</u></b>					
Applications processed per man-year	A	7,600	8,300	8,000	8,500
<b>B. <u>SERVICE</u></b>					
Average total processing time per application in days	A	12	10	9	8
<b>C. <u>QUALITY</u></b>					
Per cent of applications requiring reprocessing	A	7.5	7.2	6.0	4.0
<b>D. <u>COST</u></b>					
Unit cost per application in dollars	A	100	98	96	92

## ANNUAL MANAGEMENT REVIEW AND IMPROVEMENT CYCLE



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# MANAGEMENT REVIEW AND IMPROVEMENT PROGRAM GUIDANCE AND ASSESSMENT

OMB

DEPARTMENTS  
AND AGENCIES

○ GUIDANCE

● IDEA INTERCHANGE

← SUBSTANTIVE  
TECHNICAL →

● INTERAGENCY COORDINATION

← SURVEY AND  
PROJECT SCHEDULING →

○ ASSESSMENT

● ON-SITE SURVEYS

← CAPABILITIES  
DEFICIENCIES →

● INTERAGENCY STUDIES

← COMMON AREAS  
PRIORITY EFFORTS →

● ANNUAL MANAGEMENT REPORTS

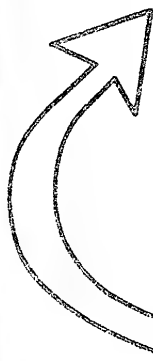
← PLANS  
ACCOMPLISHMENTS →

● MANAGEMENT ISSUES

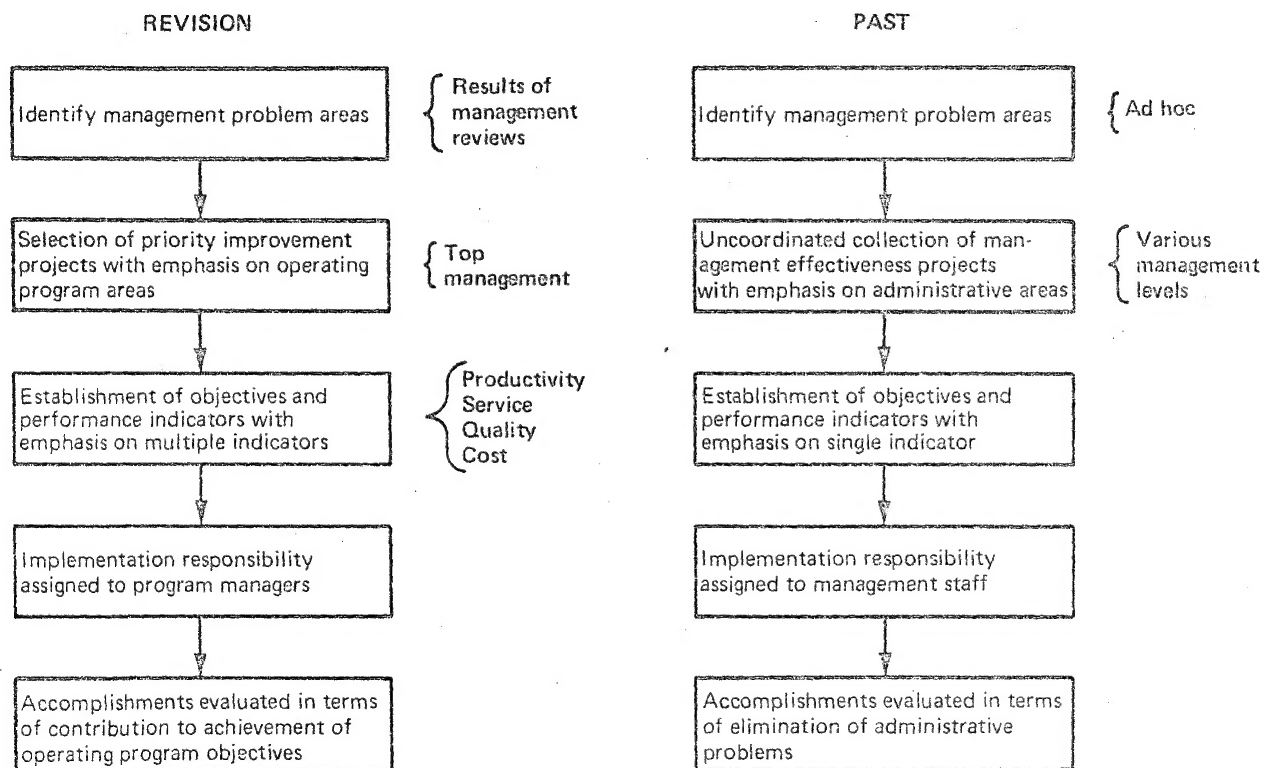
← BUDGET HEARINGS  
ANNUAL MANAGEMENT LETTERS →

● OTHER MEANS

← PACMI  
CONSULTANTS →



### CHANGE IN APPROACH



## ANNUAL MANAGEMENT REPORT

- a. Management reviews (Section I);
- b. Priority improvement projects (Section II);
- c. Financial accomplishments and plans (Section III);
- d. Automatic data processing (ADP) improvements (Section IV);
- e. Management of Federal reports (Section V);
- f. Productivity improvements (Section VI);
- g. Cost reductions (Section VII); and
- h. Nominees for Presidential Management Improvement Awards (Section VIII).



UNCLASSIFIED CONFIDENTIAL SECRET

# OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	C/EPD		
2			
3			
4			
5			
6			

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

## Remarks:

As per the status  
report for D/S by 31 July.  
D.L. for final report & A.Y.

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.	DATE
Executive Officer	12 JUL 1972

<b>TRANSMITTAL SLIP.</b>		DATE
TO: Director of Security		
ROOM NO. 4E 60	BUILDING Headquarters	
REMARKS:		
FROM: Acting DD/S		
ROOM NO. 7D 24	BUILDING Hqs.	
FORM NO. 241 1 FEB 55		REPLACES FORM 36-8 WHICH MAY BE USED. (47)

STAT